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Central Intelligence Agency



Washington, D.C. 20505

DIRECTORATE OF INTELLIGENCE

25 March 1983

MEMORANDUM FOR: The Honorable Lionel H. Olmer  
Under Secretary for International Trade  
Department of Commerce

VIA:

Director  
Office of Intelligence Liaison

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FROM:

Director of Global Issues

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SUBJECT:

Communist Commercial Operations in  
Non-Communist Countries

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1. Per your request, the attached report discusses  
Communist commercial companies abroad.

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2. This report was prepared by  
International Security Issues Division, Office of Global  
Issues. It has been coordinated with the Directorate of  
Operations.

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3. Comments and queries are welcome and may be addressed to  
the Chief, Communist Activities Branch, OGI,

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Attachment:

Communist Commercial Operations in  
Non-Communist Countries, GI M 83-10086,  
March 1983

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## DIRECTORATE OF INTELLIGENCE

25 March 1983

Communist Commercial Operations  
in Non-Communist CountriesSummary

During the past ten years, the USSR and Eastern Europe have actively established a large network of companies abroad. These now total about 400 (100 Soviet and 300 East European). Most are commercial ventures established in major trading partner countries and are directly involved in marketing Communist products in the West for dearly needed hard currency. Others contribute to hard currency earnings by providing transport, financial, and technical services. In addition, this growing presence in the West has provided increased access to Western technology.

The growing Communist commercial presence in the West has offered a number of distinct economic as well as political advantages to the Bloc:

- o By 1980, the Soviets had invested about half a billion dollars in their subsidiaries abroad, and assets stood at about \$10 billion. East European investment has amounted to roughly \$200 million, with assets valued at about \$2.5 billion.

This memorandum was prepared by [redacted]  
[redacted] International Security Issues Division, Office of Global Issues. This analysis is based on information available as of 25 March 1983. Comments and queries are welcome and may be addressed to the Chief, Communist Activities Branch, OGI, on [redacted]

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- o Communist companies abroad provide an opportunity for Communist penetration of the society. For example, the covert transfer of funds from Moscow to local Communist businesses for transfer to national Communist parties or front organizations represents a means of direct control of Communist "active measures" abroad.
- o The participation of Communist firms in Western markets offers access to Western business data and practices.

We believe that the success of the Communist foreign investment program in the 1970s will lead to continued expansion in the 1980s. The current unhealthy state of most Communist economies will put a premium on the profitable performance of the overseas companies, especially those in the industrialized West. The share of total Soviet exports handled by these companies -- currently about 15 percent of Soviet exports to the countries in which they are located -- could increase further as additional companies are established. In our opinion, East European countries, which currently count on these companies to handle up to 30 percent of their trade, also will rely more heavily on these outlets.

\* \* \*

#### Characteristics of Soviet Companies

The USSR has established more than 100 companies in the industrialized West and about 30 in LDCs. Most are legitimate businesses providing commercial services, but their locations favor their use in the illegal acquisition of controlled technology. Soviet companies in the industrialized West perform a wide range of economic activities, with their functions falling into four basic categories: (a) trading and marketing companies, which also may carry out distribution and servicing of products; (b) organizations which provide financial services, such as banks and insurance agencies; (c) transport companies; and (d) technical services bureaus which provide engineering, consulting, and other services.\*

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\*This study draws on data from Carleton University's Directory of Soviet and East European Companies in the West, edited by R. Bruce Morgan and from Soviet Investment in the Industrialized Western Economies, by Carl H. Millan, Director of the Carleton University East-West Project. See the Appendix for a detailed listing of Soviet companies and their functions in the industrialized West.

Features common to most of the ventures, include:

- o Reliance on the joint stock company format, with a high degree of Soviet ownership and control. The USSR retains majority ownership in more than 85 percent of these companies; 25 are wholly Soviet-owned.
- o Staffing by local employees. Soviet citizens usually occupy top management posts and form the nucleus of the technical staff, but most of the workforce is locally hired. Some Soviet-owned firms employ several hundred host country nationals, some in senior positions.
- o A concentration of investment in those West European countries which are the USSR's major trading partners. More than half of the Soviet companies are located in six countries in Europe.
- o A heavy concentration on a narrow range of industrial goods and services, where product specialization has led some Soviet trading companies to diversify into distribution and servicing to stay afloat.

#### Focus on Trading and Marketing Abroad

By 1980, 69 of the 104 Soviet companies in industrialized countries were engaged in trading and/or marketing, most of them accompanied by distribution and servicing activities. While some Soviet trading companies in the West have a history dating from shortly after the October Revolution, most of these organizations are a product of the 1970s. At that time, Moscow's increasing imports of costly Western technology placed heavy demands on Soviet hard currency reserves. To restrain the trade deficit, Moscow began looking for ways to boost its sales to the West; the record shows that the USSR began establishing offices in major industrial countries at an increasing rate beginning in the early 1970s. The focus was on the formation of joint ventures, a program consistent with the policy enunciated in 1973 in the Communist party journal "Kommunist".

Many of these new firms were commissioned to study local market conditions, sell equipment, and service Soviet products. Subsidiaries not only provide exclusive marketing services to Soviet enterprises, but also:

- o inform parent enterprises of competitive developments.
- o undertake ambitious advertising and promotional campaigns,
- o maintain the infrastructure (warehousing, support facilities, dealer networks, and service centers) required to effectively market and service Soviet equipment abroad.

- o modify inappropriately styled or finished Soviet equipment or consumer durables for more demanding Western customers.

According to the Soviet foreign trade journals, Soviet trading and marketing companies fall under the jurisdiction of various All-Union Trade Associations under the Ministry of Foreign Trade. The Soviet parent supports the enterprise both by direct capital contribution and supplier credits.

The performance of Communist companies abroad has been hampered by traditional barriers that confront Soviet manufactures in the West. Tariff restrictions, buyer unfamiliarity or outright hostility, poor quality goods, and erratic supplies from producers at home have prevented some companies from penetrating foreign markets. Even though they handle several billion dollars of Soviet exports a year, they have not been successful in improving the share of industrial products in the Soviet export profile. Since Moscow began its push in 1970 to open marketing affiliates abroad for industrial products, exports of machinery and equipment to industrial Western customers have quadrupled (in ruble terms) to more than \$430 million annually in 1979/80. This, however, accounts for less than 2 percent of total Soviet exports to the industrialized countries of the West.

#### Soviet Banks Abroad: Financing Soviet Trade

Soviet trading and marketing companies in Europe are supported by a well-established infrastructure of Soviet banks and other financial institutions, most of which are in principal West European financial centers. The combined assets of the banks had reached nearly \$10 billion by the end of 1980, up from \$7.5 billion in 1977.

## USSR: Banks in Europe

<u>Bank</u>	<u>Year Established</u>	<u>1980 Assets (Million US \$)</u>
Moscow Narodny Bank, Ltd. (London)	1919	3,500
Banque Commerciale Pour L'Europe du Nord (Eurobank) S.A. (Paris)	1921	4,200
Wozchod Handels Bank AG. (Zurich)	1966	400
Ost-West Handelsbank AG. (Frankfurt)	1971	865
Donau-Bank, AG. (Vienna)	1974	240
East-West United Bank, S.A. (Luxembourg)	1974	350

Source: Carleton University, Directory of Soviet and East European Companies in the West.

Soviet banks abroad serve a variety of useful purposes for their owners by:

- o providing a channel to Western and other money markets to finance Soviet technology imports.
- o facilitating investment of CEMA hard currency funds in the West, particularly through loan syndication.
- o insuring the privacy of Soviet financial operations abroad;
- o forwarding financial data and analyses of international monetary developments. For example, several Soviet banks in Europe--especially Narodny in London, Eurobank in Paris, and Wozchod Handel in Zurich--are able to apprise Moscow of money market trends and conditions prior to major Soviet financial activity, including syndicated borrowing.
- o serving as training grounds for Soviet banking officials in the area of international finance.

The Soviet banks abroad have increasingly directed their operations to the generation of long-term funds to finance Soviet hard currency imports through the Eurocurrency markets. Although the Soviet banks provide a full range of international banking services not directly related to East-West trade, they have developed specialities:

- o Moscow Narodny Bank has taken the lead in attracting funds to finance East-West trade;
- o the Paris-based Eurobank acts as an intermediary in inter-bank operations, particularly in placement of Soviet hard currency funds in Western institutions;
- o Wozchod Handels Bank sells gold on the Zurich market;
- o the Ost-West Handelsbank in Frankfurt finances Soviet-West German trade, particularly the sale of Soviet diamonds and other precious stones;
- o The East-West United Bank of Luxembourg conducts Euromarket operations and finances Soviet trade with the Benelux countries.

Insurance is also a well-established area of Soviet financial activity. Soviet insurance companies are wholly Soviet-owned and underwrite Western trade transactions with Communist countries. Their primary role is to facilitate East-West trade, but diversification has led to other profitable services, such as accident, fire, and life insurance.

#### Transport and Other Services Companies: Supporting Trade Expansion

About 30 Soviet companies in OECD countries have been established to provide services; all but five of these are involved in maritime/overland transport, some as agencies and others in actual transport or closely related activities. About half of these are fully-owned subsidiaries of Sovfrakt, the Soviet foreign trade association which acts as general agent for Soviet shipping lines under the Ministry of the Merchant Marine. These companies book cargoes, coordinate liner activities, provide agency services for Soviet shipping lines, and organize services for Soviet vessels in local ports.

To establish direct foreign bases for its activities, Sovfrakt has bought into or taken over foreign agencies and in some cases established new firms. These investments (a) insure that local support operations are managed in accordance with Sovfrakt's increasing foreign interests and (b) reduce hard currency outlays for agency commissions and fees. These companies arrange for goods transport into and out of the USSR and for cargoes shipped between non-Soviet ports.

A few Soviet companies have been established to provide services in other fields. Three companies in Western Europe are seeking to develop a market for Soviet computers and software, adapting Western peripherals to Soviet-made mainframes. These companies also are well placed to report on computer developments to their parent company.

Soviet Resource Development in LDCs

Moscow's ventures in LDCs have reflected long-standing Soviet policies that emphasize developing influence by expanding economic relationships. Writing of the Soviet-LDC relationship in 1980, Semen Skachkov, head of the Soviet aid organization GKES, expressed satisfaction with the structure of Soviet trade with LDCs because machinery and equipment exports are high. In 1981, the USSR delivered more than \$2 billion in civilian machinery and equipment to LDCs, five times more than similar exports to industrialized countries. The USSR has been able to increase its sales by extending credits and entering into commercial development contracts -- particularly with Arab countries. In the mid-1970s, for example, the USSR concluded upwards of \$2 billion in commercial equipment contracts with Iraq and Libya alone.

Moscow has used the joint venture device in LDCs only in the field of fishing, where LDC governments have demanded equity in return for use of their resources. In contrast with its normal practice in industrial countries, Moscow has accepted minority holdings (49 percent) in LDC ventures but retains operational control through contribution of most of the assets.

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Of the 30 Soviet companies in the Third World formed since the mid-1960s, more than half have been joint fishing ventures. The USSR provides boats, equipment, expertise, and training in return for the privilege of fishing within the partner country's territorial waters. A 1977 fishing agreement with Angola is representative of most Soviet joint venture fishing agreements with LDCs. It calls for the USSR to provide:

- o A survey of Angolan fishing areas,
- o 30,000 tons of fish annually,
- o 10 fishing boats,
- o Onshore processing facilities,
- o 30 scholarships for Angolans,
- o 100 ship-to-shore radios, and
- o 50 Soviet specialists to advise Angola's fishing industry--particularly in fleet maintenance, product distribution, marketing, planning and establishment of cooperatives.

Aside from its 17 joint venture fishing arrangements in developing countries, the USSR also has opened:

- o Trading and marketing companies in Cameroon, Ethiopia, Morocco, Nigeria, and Mexico



- o Branches of Moscow Narodny Bank in Singapore and Lebanon
- o Transport companies with Afghanistan, Iran, and Singapore.

Most Soviet-LDC joint ventures have been capitalized at under \$1 million each. They probably provide a fair rate of return for Moscow: about one-third of the Soviet fish catch comes from LDC waters, and Moscow earns at least \$150 million in hard currency annually from exports of fish to the West. Freight companies in Iran and Singapore also have established a substantial Western business that provides hard currency to the Soviets.

### The East European Effort

East European countries have opened 295 companies in the industrial West to promote economic relationships. More than 80 percent are concerned with marketing and distribution of East European agricultural, consumer, and industrial products. Another 7 percent handle transport, while the remainder provide financial, technical, and other services. Poland and Hungary lead Eastern Europe in overseas investments with 89 and 64 companies, respectively (see Table). Most of the East European foreign investments are concentrated in Austria, Germany, France, Italy, and the United Kingdom.

East European countries also have established joint ventures in a number of LDCs. Romania has been most active, with 40-odd firms reported by the Romanian press. These firms sell and service East European products, and a few have been set up to process agricultural products, minerals, or metals.

### Implications

The success of Moscow's campaign to expand its commercial operations in the West during the 1970s has laid the foundation for further and perhaps accelerated expansion in the 1980s. The USSR's current hard currency shortage will force Moscow to increase exports to acquire Western goods and technology, suggesting further investments in foreign marketing and servicing facilities. Marketing companies now in place handle at least \$2 billion in annual Soviet exports, and their role is growing.

Soviet investments in financial, commercial, and production facilities indicate Moscow's growing commitment actively to participate in the world economy. This activity, however, has some drawbacks for the United States:

- o To the extent that these companies increase ties with major West European trade partners, they reduce Soviet vulnerability to US-sponsored trade initiatives, such as embargoes of grain and advanced technology.

- o Soviet joint ventures in the LDCs have concentrated on fisheries development and generally call for exclusive Soviet fishing rights. Through these deals, these markets are denied to West European and Japanese interests and investments.
- o While most evidence points to the fact that Soviet companies are engaged in bona fide dealings consonant with standard business practices, the proliferation of these establishments increases the opportunities for covert technology transfers to the Communist bloc as well as the use of "active measures" to push Communist policies in the West.

Eastern Europe has largely followed Moscow's pattern in the establishment of foreign companies. Nearly all of Eastern Europe's companies are strictly commercial enterprises concerned with promoting trade and earning hard currency. As in the case of the Soviet firms, however, the chances of covert technology transfers are enhanced by their growing presence overseas. To the degree that these companies become linked to Western business interests, especially in Europe, the effectiveness of a US generated embargo or trade sanctions becomes more limited.

## USSR: Companies in Western Europe

<u>Company Name</u>	<u>Year Established</u>	<u>Activities</u>
<u>Australia</u>		
Belarus Tractors Pty, Ltd.	1977	Marketing and distribution of agriculture equipment.
FESCO Australia Line	1976	Maritime container shipping.
Opal Maritime Agencies Pty, Ltd.	1975	Services Soviet ships, provides Australian management for FESCO and other Soviet shipping.
TECHMA Pty, Ltd.	1977	Marketing Soviet machinery.
<u>Austria</u>		
Asotra GmbH	1976	Expedites cargoes and arranges for Soviet imports and exports through Austria.
Donau-Bank AG	1974	Commercial banking, specializes in short and medium term credits to Western firms.
Garant Versicherungs AG	1958	Financial services, insurance, and credit.
Interprom GmbH	1978	Marketing of fuels, ores, fertilizers, and chemical products.
Überseeschiffartsagentur Transnautic (Austria)	NA	Agency for Soviet passenger and cargo ships.
<u>Belgium</u>		
Commerciale Belgo-Sovietique (Belso) S.A.	1966	Imports and exports Soviet industrial and consumer goods. Exports Belgium consumer goods to the USSR. Represents Soviet firms in Belgium and represents Western firms in the USSR.
East-West Agencies Technical and Optical Equipment (Belgium) S.A.	1973	Marketing of Soviet-made precision products.

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USSR: Companies in Western Europe

<u>Company Name</u>	<u>Year Established</u>	<u>Activities</u>
<u>Belgium (Cont'd)</u>		
Elorg-Belgique S.A.	1974	Marketing and servicing of Soviet computers and other electronic equipment. Provides technical services to Belgian firms.
Ferchimex N.V.	1972	Marketing and distribution of chemicals and industrial minerals.
Nafta-B N.V.	1967	Marketing and distribution of fuels and grain.
Russalmaz N.V.	1973	Marketing of fine and industrial diamonds.
Scaldia-Volga	1964	Marketing, product modification and assembly of Soviet automobiles and four-wheel drive vehicles.
Sobelmarine	1976	Transport services, shipbrokers, and chartering.
S ankoimport Belgique (Stanbel) S.A.	1976	Marketing and servicing of heavy machines from USSR and exports machine tools to USSR.
Transworld Marine Agency Co., N.V.	1969	Transport services, freight forwarding, maritime insurance and finance, customs, shipping services and travel arrangements.
<u>Canada</u>		
Belarus Equipment Ltd.	1972	Marketing, distribution, servicing and product modification of farm machinery, construction machinery, motorcycles, tractor tires, and spare parts.
Emec Trading Ltd.	1973	Marketing and servicing of Soviet-made turbines, ships, generators, electrical equipment, and industrial licenses.
Morflot Freightliners Ltd.	1971	General agent for Soviet shipping to the West Coast.

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USSR: Companies in Western Europe

<u>Company Name</u>	<u>Year Established</u>	<u>Activities</u>
<u>Canada (Cont'd)</u>		
Socan Aircraft Ltd.	1975	Marketing, servicing, and product modification of Soviet YAK-40 passenger jet aircraft.
Stan-Canada Machinery Ltd.	1972	Marketing and servicing of machine tools and industrial machinery.
<u>Denmark</u>		
Umo Belarus Danmark	1977	Marketing, servicing, modification of tractors and farm equipment.
<u>Finland</u>		
Elorg-Data OY A.B.	1974	Technical services, electronic data processing using Soviet and US computers. Marketing and servicing Soviet-made computers.
Koneisto OY, A.B.	1964	Marketing, distribution, and servicing of Soviet equipment and machinery.
Konela OY	1947	Marketing, servicing, and product modification of buses, automobiles, tractors, trucks, and motorcycles.
Konela-Belarus	1974	Marketing, servicing, and modification of Soviet tractors.
Saimmaa OY Lines Ltd.	1968	Transport services and travel agency. Services several major ports and operates container route from Western Europe through the USSR to Iran.
Suoment Petrooli (Finska Petroleum) OY	1932	Marketing and distribution of oil products and lubricants.
Teboil OY A. B.	1934	Marketing and distribution of oil and oil products.

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USSR: Companies in Western Europe

<u>Company Name</u>	<u>Year Established</u>	<u>Activities</u>
<u>Finland</u> (Cont'd)		
Provag OY A.B.	NA	Transport services and shiphandler.
<u>France</u>		
Actif-Avto S.A.	1965	Marketing, manufacturing, and servicing of agricultural, forestry, roadbuilding machinery, and equipment, tools, spare parts, and components. Technical services in research and construction.
Banque Commerciale Pour L'Europe du Nord (Eurobank) S.A.	1925	Financial services, French exports to CEMA states, worldwide commodities sales, participates in loan syndications and Euro-currency markets.
Fransov S.A.	1976	Marketing of fish and fish products; provides service facilities for Soviet trawlers in the Atlantic Ocean off the African Coast.
Groupeement D'Interest Economique pour le Developement des Echanges Commerciaux Entre L'URSS et la France (Gisofra)	1971	Technical services, consultation, and promotional services; assists Soviet equipment producers to increase sales.
Rusbois S.A.	1968	Marketing of forestry machinery, wood and wood products; processing of timber and wood products, resource development.
Salva S.A.	1961	Marketing of watches, clocks, optical instruments.
Slava Boutique (Ste D'Exploitations) S.A.	1976	Marketing and assembly of watches, clocks, jewelry, and gift items.
Societe D'Agences Maritime Franco-Sovietiques (Sagmar) S.A.	1974	Agency for Soviet shipping lines.

USSR: Companies in Western Europe

<u>Company Name</u>	<u>Year Established</u>	<u>Activities</u>
<u>France (Cont'd)</u>		
Societe pour la Promotion Europeene du Leasing (Promolease) S.A.	1974	Financial services: arranges leases for Soviet and Eastern Europe manufactured equipment in the West and Western equipment in Eastern Europe, the Soviet Union and other centrally planned economies.
Sogo et Cie S.A.	1969	Exports and imports all kind of chemicals.
Sovhart France S.A.	NA	Transport services and ship chartering.
Stanko France S.A.	1971	Marketing and servicing of Soviet machine tools and heavy equipment.
<u>West Germany</u>		
Kommanditgesellschaft Deutsch- Sowjetische Teppichhandle GmbH & Co.	1970	Marketing of Soviet carpets.
Neotype Techmaslexport GmbH	1973	Marketing product modification of printing machinery and equipment.
OST-West Handelsbank AG	1971	Financial services: full range of banking services; financing of East-West trade.
Plodimex Aussenhandels GmbH	1974	Imports wines, vodka, champagne, and brandies from USSR; exports European bottled wines and foodstuffs to USSR.
Russalmaz Diamanten Import- Export AG	1974	Marketing of cut diamonds, precious metals, and jewelry.
Russische Holz (Russholz) GmbH	1974	Marketing of timber and other wood products.
Schwarzmeer und Ostsee Transport- versicherungs (Sovag) AG	1927	Financial services and insurance.
Sobren Chemie Handel GmbH	1974	Imports chemical and petrochemical products from the USSR. Exports goods for chemical and other industries to the USSR.
Transglobe Container Services GmbH	NA	Transport container leasing.

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USSR: Companies in Western Europe

<u>Company Name</u>	<u>Year Established</u>	<u>Activities</u>
<u>West German (Cont'd)</u>		
Überseeschiffahrtsagentur Trans- nautic GmbH and Co. K.G.	1974	Transport services for Soviet passenger and cargo ships.
Westsotra Spedition und Transport GmbH	1978	Arranges packing, export and import shipments and arranges for transit of goods through the USSR to third countries in Asia and Middle East.
<u>Greece</u>		
Energomashine Ltd.	1975	Marketing of Soviet trolley buses.
Transmed Shipping S.A.	NA	Shipping agency.
<u>Italy</u>		
Carbonafta S.P.A.	NA	Marketing of oil and oil products.
Dolphin Agenzia Maritima	1977	Shipping agency.
Enital S.O.A. Import-Export	1977	Marketing of Soviet machinery and equipment.
Ruslegno S.P.A.	1974	Marketing of Soviet wood products including timber and pulp.
Sovitalmare di Navigazione S.P.A.	1976	Charters vessels to ship goods between Italy and the Soviet Union.
Sovitpesca S.P.A.	1976	Marketing and distribution of Soviet seafood products.
Stanitaliana S.P.A.	1971	Marketing and servicing of Soviet machinery.
Technicon S.P.A.	1977	Designs and constructs tin and steel mills in third markets.



USSR: Companies in Western Europe

<u>Company Name</u>	<u>Year Established</u>	<u>Activities</u>
<u>Japan</u>		
United Orient Shipping and Agency Company Ltd. (Uniorient)	1969	Shipping and brokerage agency.
<u>Luxembourg</u>		
East-West United Bank S.A.	1974	Provides full range of banking services.
<u>The Netherlands</u>		
East-West Agencies Technical and Optical Equipment N.V.	1969	Marketing of Soviet-produced photographic, optical, and related equipment.
Elorg B.V.	1972	Marketing and servicing of Soviet computers and computer components.
<u>Norway</u>		
Belarus-Norge	NA	Marketing and servicing of tractors.
Koneisto Norge A/S	1967	Marketing and servicing of Soviet electrical engineering equipment.
Konela Norge Bil A/S	Pre-1970	Marketing and servicing of Soviet automobiles.
<u>Spain</u>		
Intramur S.A.	1976	Services Soviet shipping vessels in Spain.
Pesqueras Espanolas Sovieticas Conjuntas (Pesconsa) S.A.	1975	Develops new technology and equipment for fishing vessels and fish processing plants.

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## USSR: Companies in Western Europe

<u>Company Name</u>	<u>Year Established</u>	<u>Activities</u>
<u>Spain (Cont'd)</u>		
Sovhispan S.A.	1971	Marketing of Soviet fish products in Spain; services Soviet and Spanish fishing vessels operating in the North Atlantic and exports ships and ship equipment to the USSR.
<u>Sweden</u>		
Alco	1976	Marketing of a range of Soviet goods.
Friedtrans A.B.	NA	International carriage.
Matreco Handels A.B.	1963	Marketing and servicing of Soviet VAZ automobiles, farm equipment, and industrial machinery.
Scansov Transport A.B.	1976	General agent for Soviet shipping interests in Sweden.
<u>Switzerland</u>		
Wozchod Handelsbank AG	1966	All banking functions with the exception of saving, stock, and bond business; services trade of all CEMA countries.
<u>United Kingdom</u>		
Anglo-Soviet Shipping Co., Ltd.	1924	Advises US firms on trading possibilities in the USSR.
Black Sea and Baltic General Insurance Co., Ltd.	1925	Insurance, risks related to Soviet-Western trade.
Black Sea and Baltic (UK Provincial) Ltd.	NA	General insurance.

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## USSR: Companies in Western Europe

<u>Company Name</u>	<u>Year Established</u>	<u>Activities</u>
<u>United Kingdom (Cont'd)</u>		
East West Leasing Co.	1974	Handles leasing of CEMA equipment in the United Kingdom, leases of UK equipment to CEMA and promotes leasing agreements between the USSR and Eastern Europe.
Global Watches	1963	Marketing of watches.
Moscow Narodny Bank Ltd.	1919	Full range of banking services; promotes and finances East-West trade.
Nafta (G. B.) Ltd.	1959	Imports crude oil and oil products from USSR; and exports lubricants and other goods to the USSR.
Razno and Co., Ltd.	1969	Imports consumer goods from the USSR, and exports consumer goods to the USSR.
Russian Wood Agency, Ltd.	1923	Marketing of Soviet timber, pulp and paper, and other wood products.
Sovfracht (London)	1974	Shipbrokers and charter agency.
Technical and Optical Equipment (London) Ltd.	1968	Imports camera, optical instruments, microscopes, and radios from the USSR; purchases UK goods.
UMO Plant Ltd.	1969	Imports road construction and earth moving equipment from the USSR; exports marine equipment and component parts to the USSR.
<u>United States</u>		
Amtorg Trading Corp.	1924	Advises US firms on trading possibilities in the USSR.
Belarus Machinery Inc.	1977	Marketing and servicing of Soviet farm machinery.
Moflot America Shipping (Moram) Inc.	1976	Represents Soviet shipping liner services in the United States.

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SUBJECT: Communist Commercial Operations in Non-Communist  
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OGI/IS/CA:  (18 Feb 1983)

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